



MEMORANDUM

Date: May 7, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

CC: Patrick T. Wright, Growth Management Director

From: Tina Burns, Community Development Program Manager

Subject: Resolution delegating authority for the execution, submission and award acceptance for the federal fiscal year 2025 Small Cities Community Development Block Grant (CDBG) Housing Rehabilitation application. File ID: 26-5349

Introduction

This request is to allow the City of Key West to apply for the federal fiscal year 2025 Florida Small Cities Community Development Block Grant (CDBG) Housing Rehabilitation application. This resolution delegates authorization for the execution of the application, along with the submission approval and acceptance of any awarded funds from the submission of the grant.

Background

The Florida Small Cities Community Development Block Grant (CDBG) program is a competitive federal grant managed by Florida Commerce. It provides funding to rural communities and smaller cities (under 50,000 residents) and counties (under 200,000 residents) under the funding categories of housing rehabilitation, neighborhood revitalization, commercial revitalization and economic development that benefit low-to-moderate-income residents in the community.

Participation in the Florida Small Cities CDBG Housing Rehabilitation grant offers the City of Key West several strategic and fiscal benefits. It acts as a catalyst for local revitalization, allowing the City to execute a high-impact project that will not affect the City's general fund. The application, if awarded, will provide financial support by accessing restricted funds for this critical

need that are exorbitant to the City's budget while providing administrative support to manage and administer the grant. Funding will provide community stability, assist in reducing blighted conditions, improving public safety and preventing further deterioration of the aging housing stock in the community while continuing to preserve affordable housing. All of these outcomes help the City meet its strategic goals under the housing pillar of the strategic plan.

Key benefits of this project include rehabilitation to substandard housing to fix or replace deteriorating homes, bringing affordable units up to housing codes, improving energy efficiency and ensuring safety. For homeowner rehabilitation the program will assist Low-Income Households to provide direct assistance to homeowners who meet income requirements to repair their homes creating community stability and allowing residents stay in their homes, promoting long-term community stability and preventing displacement.

Procurement

The Florida Small Cities CDBG FY 2025 cycle applicants must adhere to 2 CFR 200 standards, requiring specific accounting practices including tracking expenditures, maintaining source documentation, and separating grant funding along with procurement processes to ensure federal compliance.

Upon receipt of the grant award, the City of Key West Finance Department will establish dedicated accounting codes to ensure the separation of CDBG funds from the general fund. This prevents the commingling of assets and ensures a clear audit trail for federal oversight.

If awarded, all grant funding draws and expenses will be administered through the Community Development Office Account Number Fund 120.

Recommendation

Community Development staff recommend that the Mayor and Commission approve the resolution authorizing the City of Key West to apply for the federal fiscal year 2025 Florida Small Cities Community Development Block Grant (CDBG) Housing Rehabilitation application authorizing delegation, consent for execution of the application, along with the submission approval and acceptance of any funds awarded as a result of the submitted grant application. This recommendation supports the City's strategic agenda priority under Housing and will enable the City to provide means to assist in the rehabilitation of owner-occupied units and restore substandard or dilapidated rental housing to safe, livable conditions that benefit the low and moderate (LMI) residents in the community.